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MEMORANDUM FOR THE RECORD

SUBJECT: Concurrence in Letter Contract No. ST-506 with the Firewal Company, Inc., Project [] - (AQUATONE)

1. Letter Contract No. ST-506 provides for the services overseas of a suit technician trained by the Firewal Company under Contract ST-505 -- Project [] Contract ST-506 will also provide the services of related supervisory and engineering services of Firewal personnel overseas, as needed.

2. Recruitment and training of suit technicians has been proceeding under Contract No. ST-505. Training of one technician has been completed and such technician will accompany Detachment "A" overseas in May 1956. Training will continue under Contract No. ST-505 for personnel to accompany Detachments "B" and "C." Contract No. ST-506 will provide for such overseas services of Firewal services on a fiscal year basis. The Contract provides for renewal at the option of the Government for fiscal years 1957 and 1958.

3. The type of definitive contract contemplated is a fixed man-month rate for each category of personnel being provided by the Firewal Company, such fixed rate to include salary and indirect costs and profit, as negotiated. Other costs, as necessary to be incurred, will be reimbursed on a direct cost basis. Pending final negotiations certain tentative salaries, rates and categories of direct cost have been agreed to for billing purposes.

4. Project [] the Firewal Company training program, has obligated only \$15,000 to date under Contract No. ST-505. It is expected that an additional \$40,000 may be required, subject to Contractor's revised proposal being formulated to indicate cost of continuing training and special tools for the other detachments. Project [] obligates \$2,500 for fiscal year 1956, but may require an additional amount of up to \$2,500 for fiscal year 1956 and an estimated \$55,000 for fiscal year 1957 to support three detachments.

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5. It is recommended that the Director of Central Intelligence approve the signature of Letter Contract No. ST-506 by the Authorized Contracting Officer for Project AQUATONE.

SIGNED

RICHARD M. HISSLI, JR.
Project Director

CONCURRENCE:

ILLEGIB

[Redacted Signature]

General Counsel

SIGNED

Project Comptroller

Approval requested in paragraph 5, above, granted:

Distribution:

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ALLEN W. DOLLES
Director of Central Intelligence

GFK:lmw (8 May 1956)

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